

1-1 By: J. Davis of Harris, Miles H.B. No. 2579
1-2 (Senate Sponsor - Deuell)
1-3 (In the Senate - Received from the House April 27, 2011;
1-4 May 3, 2011, read first time and referred to Committee on Economic
1-5 Development; May 13, 2011, reported favorably by the following
1-6 vote: Yeas 6, Nays 0; May 13, 2011, sent to printer.)

1-7 A BILL TO BE ENTITLED
1-8 AN ACT

1-9 relating to relief for certain employers from penalties and
1-10 sanctions under the Texas Unemployment Compensation Act.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Subchapter A, Chapter 213, Labor Code, is
1-13 amended by adding Section 213.011 to read as follows:

1-14 Sec. 213.011. EFFECT OF PREVIOUS EMPLOYMENT DETERMINATION.

1-15 (a) Subject to Subsection (c), it is reasonable for an employer to
1-16 rely on a court ruling or commission determination that, for the
1-17 purposes of this subtitle, service performed by an individual,
1-18 including service in interstate commerce, is not employment under
1-19 this subtitle if:

1-20 (1) the ruling is:

1-21 (A) a judicial decision or precedent, including a
1-22 published opinion, from a court in this state; or

1-23 (B) a commission decision involving the employer
1-24 as a party or a subject; and

1-25 (2) the ruling or determination has not been reversed
1-26 or otherwise invalidated.

1-27 (b) The commission shall relieve an employer that
1-28 reasonably relies on a ruling or determination described by
1-29 Subsection (a) from penalties, interest, or sanctions under this
1-30 chapter or Chapter 214 that result from a subsequent ruling or
1-31 determination that the service in question is employment. An
1-32 employer who receives relief under this subsection is not indebted
1-33 to the state for the penalties, interest, or sanctions from which
1-34 the employer is relieved and may not be considered delinquent on the
1-35 payment of taxes, to the extent of the amount from which the
1-36 employer is relieved.

1-37 (c) An employer may reasonably rely on a ruling or
1-38 determination under Subsection (a) until the earlier of:

1-39 (1) the effective date of the subsequent ruling or
1-40 determination invalidating the ruling or determination on which the
1-41 employer reasonably relied; or

1-42 (2) the third anniversary of the due date of a
1-43 contribution based on the service in question.

1-44 (d) This section applies only if the commission determines
1-45 that the nature of the business and the service in question are
1-46 substantially unchanged from the time the initial ruling was issued
1-47 or the initial determination was made.

1-48 SECTION 2. This Act takes effect September 1, 2011.

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